

**MIDTOWN ALEXANDRIA STATION CONDOMINIUM ASSOCIATION
POLICY RESOLUTION NO. 08 -01**

DELINQUENT ASSESSMENTS/FEES COLLECTION RESOLUTION

WHEREAS, under Article III, Section 3.1 of the Bylaws: The Board of Directors of Midtown Alexandria Station Condominium (hereinafter "the Condominium" or "the Association") shall have all powers to conduct the affairs of the Unit Owners Association; and to establish and collect assessments from each Unit Owner to defray the costs and expenses of the of the Condominium and to establish the means and methods for collecting such assessments; and

WHEREAS, Article IX, Section 9.2 of the Association's Bylaws states that the total annual assessment, any special assessment, and any other sum due, including charges, interest and late charges, is a continuing lien levied against each condominium unit; and

WHEREAS, Article IV, Section 1(c)(2) of the Association's Bylaws provides that the Board of Directors may assess other expenses to the extent permitted by Section 55-79.83 of the Virginia Condominium Act; and

WHEREAS, Section 55-79.83(B) of the Virginia Condominium Act provides the Association with the authority, to the extent that the condominium instruments so provide, to specially assess an individual unit for any common expenses caused by the conduct of the applicable unit owner(s);

WHEREAS, Article V, Section 5.3 provides the Board, in the event that an owner defaults on the payment of assessments, with the power to levy late charges in the amount of \$20.00 or for such other amount as the Board of Directors may establish from time to time; and

WHEREAS, Article III, Section 3.1 of the Bylaws provides the Board of Directors with the power to make and amend any rules and regulations; and

WHEREAS, orderly procedures must be established for the collection assessments or other charges imposed by the Association that remain unpaid past their due date; and

WHEREAS, the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue; and

WHEREAS, the Board has retained the Association's attorneys for their experience in representing unit owner associations in collections and other matters; and

NOW, THEREFORE, be it resolved that the Board of Directors does hereby adopts the following policies and procedures governing the collection of assessments or any other fees and

charges imposed by the Association for collecting delinquent assessments and any other charges imposed by the Association:

1. Notice – At least **thirty (30) days** prior to the beginning of each fiscal year, the Board of Directors shall send to each unit owner a copy of the budget in a reasonably itemized form, which sets forth the amount of the common expenses and any special assessment payable by each unit owner. Such budget shall constitute the basis for determining each unit owner's assessment for the common expenses of the Condominium. The Association will notify the unit owners of the annual assessment by first-class mail, mailed to the address appearing in the records of the Association. Off-site owners will be responsible for notifying the Association's management company of any alternate address that they want the Association to use for notices from the Association. Non-receipt of such notices, however, shall not excuse the Unit Owner from the obligation to pay the assessment or monetary charges. All unit owners are under a legal duty to seek out information about the annual assessment if they do not receive the Association's notice.
2. Due Dates/Installments – All assessments or other charges imposed by the Association in accordance with the Association's governing documents are due in twelve (12) equal monthly installments and payable on the first (1st) day of each month (hereinafter "the due date"). If any assessment installment, portion thereof or any outstanding fees owed to the Association are not received in the management company's office by the close of business on the **tenth (10) day** of the each month, the Association shall consider the account "late" and assess a late charge in the amount of **\$20.00**, or such other amount as may be established by the Board of Directors, which shall be added to the account. Any other charges assessed to a particular unit in accordance with the Association's governing documents shall be due upon demand. All administrative expenses or other costs incurred by the Association in connection with any assessment account that remains unpaid after the Due Date shall be assessed to the delinquent Unit Owner's account. Owners are solely responsible for ensuring that all assessments/fees owed to the Association are received at the management company's offices prior on the Due Date.
3. Delinquent Notices - The Association's management company shall take prompt action to collect any assessments or other charges authorized by the Association's governing documents (hereinafter referred to as "Assessments"). The Association's management company shall issue a written notice of the unpaid assessments, late fees and other charges to the unit owner(s) at the address of record for any account that remains delinquent at least fifteen (15) days past its due date. The notice shall request immediate payment of the delinquent balance due.
4. The Association is not required to provide an additional notice of the imposition of interest, late fees, reasonable legal fees, and cost of collection charges to a Unit Owner other than the first notice; however, the Association has the discretion to send a second notice of delinquency to a Unit Owner who remains delinquent for 30 or more days. Any interest, late fees, and/or cost of collection charges imposed shall constitute a lien upon the unit of the defaulting Owner. Interest shall be imposed from the date of delinquency

in the amount of the lesser of eighteen percent (18%) or the maximum amount that a mortgagee may charge under a mortgage permissible under Virginia Law.

5. Referral to Counsel and Acceleration of Assessments – If an account is more than 45 days past due and the Association's management company has already issued the written notice to the unit owner(s), the management company shall refer the account to legal counsel for collection efforts. Before doing so, the Association will accelerate the balance of the account for the remainder of the fiscal year. Once an account is accelerated and the principal remains unpaid, the \$20 late fee will be assessed against the account on the 10th day of each month of the fiscal year until the accelerated principal and accrued late fees are paid in full.
6. Reporting of Delinquent Account to Credit Bureau – Following referral of an account to Counsel, Counsel shall have the option of reporting the delinquency to any or all of the national credit bureaus.
7. Memorandum of Lien - If a Unit Owner fails to pay his or her account in full within thirty (30) days of receipt of the Notice of Intent to Record Lien letter, the Association shall record a memorandum of lien against the title of the Unit Owner's property for the unpaid and accelerated installments of the annual assessment which remain due.
8. Legal Action – Counsel shall be authorized to record liens, file suits on behalf of the Association to collect all delinquent sums and take any other post-judgement actions necessary to collection the debt. The Board of Directors may also authorize counsel for foreclose on any of the liens filed against the Owner's unit. Counsel shall add all costs of collection, including all legal fees and court costs, to the account of the delinquent Unit Owner.
9. Returned Checks - If a Unit Owner submits a check to the Association, which fails to clear the Unit Owner's account, the Association shall add a \$50.00 charge to the account plus any charges assessed by the bank against the Association for the returned check. If a Unit Owner submits a check which fails to clear his or her account, more than twice in one fiscal year, the Association may require that the Unit Owner remit all remaining installment payments for the current fiscal year in form of a cashier's check or certified funds.
10. Other Checks - If a check is returned to a Unit Owner because it has been improperly filled out (including but not limited to missing signature, amounts do not match, post dated) and is not resubmitted to the Association within thirty (30) days after the applicable Due Date, the late fee and any other administrative charges that result from processing the defective check will be assessed to the Unit Owner's account.
11. Application of Payments - For bookkeeping purposes, once an account has been referred to counsel for collection, the Association shall apply payments received from delinquent owners in the following order:

- a) Any legal fees and costs of collection;
 - b) Late Charges and interest (if applicable);
 - c) All other incidental charges or fees for collection incurred by the Association;
 - d) Any and all special assessments or monetary charges; and
 - e) The annual assessments.
12. Suspension of Privileges - If a Unit Owner's account becomes more than sixty (60) days past due, the Association may suspend all of the Unit Owner's rights and privileges, including but not limited to, the right to vote and the right to serve on the Board or Committee, the right to use the Common Areas (except for the private streets or access ways), in accordance with Section 55-79.80.2 of the Virginia Condominium Act and any due process protections afforded to the Unit Owners pursuant to the Association's Declaration, Bylaws or Policy Resolutions. The suspension shall remain in effect until the unit owner pays all amounts due.
13. Communication With Unit Owners - All contacts with a delinquent Unit Owners shall be handled through the Association's attorneys, once an account has been referred to their office. Neither the Association's management nor any Association Officer or Director shall discuss the collection of the account directly with a homeowner after it has been turned over to the Association's attorneys.
14. Waivers - At its discretion, the Board may grant a waiver of late fees and/or interest upon petition in writing by a Unit Owner alleging a personal hardship or other exceptional cause. Such relief granted to a Unit Owner shall be appropriately documented in the Association's books and records along with the name of the person or persons representing the Board granting the relief and the conditions upon which such relief was granted. Waivers shall be made on a case-by-case basis upon review of particular circumstances. Furthermore, any waiver on one occasion shall not be deemed or construed as a waiver in any future instance of delinquency by such Unit Owner or any other Unit Owner.
15. This Resolution shall apply to all Unit Owners who are delinquent at the time this Resolution is adopted and to any Unit Owner who becomes delinquent subsequent to the adoption of this Resolution.

This Resolution supersedes all previously adopted Resolutions governing the collection of routine and delinquent accounts.

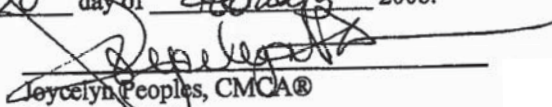
This Resolution was adopted this 11 day of February, 2008, by the Board of Directors.

MIDTOWN ALEXANDRIA STATION
CONDUMINIUM ASSOCIATION


_____, Resident

CERTIFICATE OF MAILING

I hereby certify that the foregoing Policy Resolution No. 08-01 concerning the collection of assessments was mailed to all unit owners of the Midtown Alexandria Station Condominium to the addresses of record on this 20 day of February 2008.


Joycelyn Peoples, CMCA®
Community Manager